

ARIZONA STATE PARKS BOARD
4050 RED ROCK LOOP ROAD, SEDONA, AZ.
JULY 18, 2007
PLANNING SESSION AND WORKSHOP
MINUTES

Board Members Present:

William Cordasco, Chairman
William Scalzo,
William Porter
Arlan Colton
Reece Woodling
Tracey Westerhausen
Mark Winkleman (arrived at 11:57 a.m.)

Staff Present:

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Mark Siegwarth, Assistant Director, Administration
Jay Ziemann, Assistant Director, External Affairs and Partnerships
Cristie Statler, Consultant, Fundraising and Friends
Debi Busser, Executive Secretary

Attorney General's Office:

Joy Hernbrode, Assistant Attorney General
Nathan Fidel, Intern Assistant Attorney General

A. CALL TO ORDER – ROLL CALL – 11:20 A.M.

Roll indicated a quorum present. Staff then introduced themselves.

B. PRESENTATION BY JAY ZIEMANN

1. History of the Land and Water Conservation Fund

Mr. Ziemann distributed a copy of the PowerPoint presentation he was about to present. A copy is included in the Board book for reference purposes.

Mr. Scalzo noted how important Lady Bird Johnson was to President Johnson in the areas of conservation and the political arena.

Mr. Porter added that Lady Bird was the real power behind the president.

Mr. Woodling noted that she was responsible for getting wildflowers planted along all the roads and back-roads in Texas. No matter where you go you will see wildflowers.

Mr. Siegwarth noted that the final copy of the SCORP should be available to the Board shortly.

Chairman Cordasco noted that this was a very good presentation and thanked Mr. Ziemann for his efforts.

Chairman Cordasco called for a lunch break at 12:05 p.m.

Chairman Cordasco reconvened the meeting at 12:20

C. BUDGET PRESENTATION – Mark Siegwarth

1. Overview

Mr. Siegwarth distributed a handout to the Board. He noted that this is a strange year. This is the biggest meeting of the year for him. In the past, the Board and staff locked themselves in a room and talked about nothing but the budget. This is really the first year that we really don't have to do that because last year the Board approved a 2007, 2008, and 2009 budget. He has a budget and a Strategic Plan. The budget the Board passed was the non-appropriated funds budget, which the Board controls. The Board also passed an appropriate funds budget that staff can request from the legislature. The legislature passed a 2008 and 2009 appropriated funds budget. Because they tinkered with it (they gave state employees a pay raise), he is asking the Board to go back to its non-appropriated funds and make that adjustment. The only true issue is that he would like to ask for a Supplemental. The reason that's important is that he can't ask for money from the legislature and the governor in September is because he has his budget and he is supposed to live with that. The only way he can say he wants more money is to say the agency is going to run out of money. There specific things in statute that he has to do to make that statement. As a budget man, he hates to say that we are not going to make it when we're only three weeks into the budget. He cannot ask for just anything – it has to be something that was unanticipated. Today is not a day to focus on the 2008 and 2009 budgets, but rather on the 2010 and 2011 budgets that he will submit to the Governor in September 2008

Mr. Siegwarth reported that revenues are looking very good. The Enhancement Fund is up 3% to about \$9.5 million. We still want to make \$10 million. He hopes to make \$10 million within the next 2 years. Our break-even target is only \$8 million. We will make that target. He reminded the Board that we used to have a \$12 million appropriation and we were only going to make \$8 million. There was a \$4 million gap built into the budget which is why the previous budget has always been so time-consuming. We'd get a budget from the legislature and we'd be \$3-4 million in the hole. We had to figure out how to deal with it. We don't have to worry about that this year. We will make enough money to fund everything.

Mr. Siegwarth reported that the Heritage Fund has been doing very well. We will receive the full \$10 million. Heritage Fund Interest is doing very well at \$2 million. Four years ago it was \$500,000. SLIF looks good at \$10 million. OHV is looking good, LWCF should be at \$6-6.5 million. The agency can only spend \$500,000 of that money on administration. Regarding LEBSF, he noted that we always appropriate a number - \$1,092,000. There is a footnote that says whatever we get we will distribute. That \$1,092,000 is always in the budget because that's our authority. This year we will probably get \$2.2-2.3 million. The Pubs Fund staff worked hard trying to make \$500,000 a few years ago. They thought they could make \$600,000 this year. They did that. He is upping that figure to \$650,000. They don't have to make \$650,000 but he believes there is a good likelihood that they will. The Pubs Fund is the revenue the agency receives from the Gift Shops.

Mr. Siegwarth noted that there is nothing to complain about on the revenue side.

Mr. Porter noted that he recently read that the legislature said they are already in a budget shortfall. He asked whether the agency is in danger of having its funds swept because of the shortfall.

Mr. Siegwarth responded that we are three weeks into the budget. They've been off the budget \$1 billion each way over the past few years. A couple hundred million is not a

big deal. And, there should be a carry forward. He believes it's premature to worry about that now.

Mr. Ziemann added that the legislature has been the one raising alarms while the Governor's Office has not expressed those concerns.

Mr. Siegwarth noted that he wanted the Board to see the changes he made for the 2008 and 2009 budgets.

Mr. Siegwarth then went to Personal Services and ERE and noted that he made a \$1 million change. That's a 3.25% raise. He noted that because we have gone to an electronic reservation system, there is not a need for so many reservations people. That freed up two appropriated reservation FTEs. He moved one to the Enhancement Fund and one to the General Fund.

Mr. Siegwarth added that SLIF is a sore subject. He moved one FTE to save some money for the Heritage Fund Interest in the EE program. It's also having some issues. He moved one of their FTEs to Heritage Fund Interest. The only new FTE he created is in the Land Conservation Fund. That's for a computer person to help with the Growth Cabinet. They have \$500,000 per year to spend on administration.

Mr. Siegwarth stated that, looking at OOE, our parks are pretty much down to the same operating budget as in 2002-2003. There's really been no change. They may be getting more money due to the pay raises, but in terms of what they actually have for toilet paper and stuff has not changed.

Mr. Siegwarth noted that some of these funds have a cap and can only make so much money. So, when he gives them a raise (like in Donations), he has to cut an equal amount from other operating funds. There is only so much money there. After all the changes, it really turns out that there is no change to OOE and just one additional FTE.

Mr. Siegwarth stated he is asking the Board to approve a revised budget and those are the only changes he has. He doesn't believe there is anything controversial.

Mr. Siegwarth stated that there is one issue he would like to take to the Governor. Our costs are increasing. This is the tightest year he remembers for the budget. Several parks really came in in the red and we had to figure out what vacancy savings we had available in order to pay utility bills. Several Park Managers were very nervous. He was extremely nervous. He believes that this is one of those supplemental issues where staff can go to the Governor and say that our utility costs have gone up \$450,000 and we need to have that money. It fits in with statute. We asked for it last September as part of our budget request so it isn't new; it's just an issue the Governor and legislature decided not to deal with and he'd like to make another run at it. Right now he's leaning towards \$500,000 because we are electrifying campsites and fuel can still increase. This is really the big decision. He would like to do it in September mainly because the Governor will have a budget by then – we just won't be in it. It would be good to get in with a supplemental.

Ms. Westerhausen asked if, when going for a supplemental, it is just for utilities or can staff give a list of supplements they'd like as well.

Mr. Siegwarth responded that, technically, he has to write a letter to the Governor, the Speaker of the House, and the President of the Senate that says our budget will go in the

red unless something happens. We have to explain to them why we will go into the red. He can't ask for more people and it gets very political if we start asking for a lot of other operating issues (i.e., trucks). He thinks this is just a very plain, simple thing. They asked us to increase our revenues to try to get to \$12 million, so we electrified our campsites, added campsites, and are trying to increase our visitation to increase our revenue but they have never increased what we are allowed to spend at the parks. He believes this is a very good issue that has a good chance. His only concern is that the Board has spent the last year fighting very hard for Capital money and all we got was \$1 million in General Fund. That million in General Fund comes to operating which would free up \$1 million in Enhancement Fund for Capital. He's concerned that they will just take that \$1 million that we finally received and take half of it to give to us for operating. He really wants to push for \$500,000 in new money, but that is a concern.

Mr. Colton asked the circumstances as to why last year's request was not granted.

Mr. Siegwarth responded that he sent in his budget request to both the Governor and the legislature. They did not address it.

Mr. Winkleman asked how staff could still ask the legislature if the Governor didn't go for it.

Mr. Travous explained that it was in the agency's request but not the Governor's request.

Mr. Siegwarth then discussed the impact on Capital funding. We should have \$2.2 million in 2009 in the Enhancement Fund, \$7 million in SLIF, the Heritage Fund is still good. That's a better picture than we thought. If ADOT increased their part to \$5 million the agency would actually be getting some money. However, a \$188 million backlog will take a while.

Mr. Woodling referred back to ADOT. He asked if that is restricted to roads.

Mr. Siegwarth responded affirmatively. He stated that ADOT spends their money on ASP. In other words, staff ask ADOT to build a parking lot they come out and build it. They also build appurtenances which are the service roads and pull outs as well as curbs, sidewalks, and landscaping.

Mr. Woodling asked how the Enhancement Fund is split up.

Mr. Siegwarth responded that he would like to discuss that in a few minutes.

Mr. Siegwarth noted that there will be a lot happening in 2010 and 2011. He would like to put in for a supplemental by September 1. The Heritage Alliance initiative will be important in 2008. Staff have fought hard and have received \$5 million over the last few years. For most agencies that's a huge amount of money. It's just not enough. He doesn't believe the General Fund will ever be enough. He noted that the Enhancement Fund statute said that all the money coming into the parks be divided by 50% for Operations and 50% for Capital. Staff have been fighting to get that language back. During the years of the budget crisis (2002-2005), they said all of the money had to go to Operations. That's when the agency was supposed to earn \$12 million and were only making \$8 million. Then they got the agency down to where the break even point was only \$9 million. While the agency had a little extra money, the Board had no way to say they wanted to use that money for Capital. A footnote was put in that said money is

appropriated for Operations; any money earned in excess of that amount, if so desired by the Parks Board, could be designated for Capital projects. It would have to be reviewed through the JCCR. The Governor's budget tried to get us back to statute in FY 2009, which meant the 50/50 split, and he was projecting we would grow our revenues to \$9-\$10 million. Staff only wanted to go back to statute. Staff was not requesting more money – we just wanted to go back to our business plan. We would have earned more, we would have had more for our parks. The Board's problem is that statute goes away in 2011. The statute that says it's 50/50 quits once Kartchner Caverns State Park (KCSP) is completed and Tonto Natural Bridge State Park is paid off. He projects it will be paid off in 2011. The Board really needs a new strategy because going back to statute will get us back to where we really are where they appropriate it all for Operations.

Mr. Siegwarth noted that it just so happens that that same year the Growing Smarter appropriation (\$20 million) also ends. He noted that SLIF fluctuates and believes that it will go back to \$7.5 million in 2010. The Board will have that to deal with. The Board could wait until 2012. He reminded the Board that we will have a new Governor soon. The Board will have to deal with this next September or two years later. His experience in government is that sometimes the first run doesn't make it. Sometimes it's the second or third that does. The Board may want to consider making a run to get us back on some type of rational business plan in 2010 when we know who the Governor is.

Mr. Siegwarth added that the retirement tsunami is going to hit. There will be a lot of changing faces soon.

Mr. Woodling noted that the agency did not have the Enhancement Fund when he was on the Board in the 1980s. Everything came from the General Fund. That Board tried to get revenues into a park expenditure. In other words, what the park earned it spent. He asked if that's how the Enhancement Fund came about and when it became effective.

Mr. Travous responded that the tool was KCSP. When the Board went to purchase KCSP in 1988 it had no money then, either. The Board told the legislature that it did not need to give the agency any money if they allowed the Board to keep the money it was making and go with a lease/purchase and gather that money to develop the park and not have to come back for any more money. The legislature thought that was a great idea. At that point in time the revenue was only about \$700,000-\$800,000 a year. Staff thought it would take 3 years or so to pay off the \$1.625 million to purchase KCSP. Staff saw the value of keeping the money and it changed the way we looked at the way we did things. All of a sudden our revenues started to increase. They increased so well that in 1990 (when the first budget crisis he was involved in) the Enhancement Fund was split. It was all going for Capital Development when they decided to split it with half going to Capital Development and half going to Operations. For the next 10 years the agency used that money to develop KCSP. Once KCSP was on line staff thought revenues would really kick up, and they did. The parks were told that this would raise all the boats. Just as we got to that point, the legislature took all the money out for operations. Park staff don't see that extra value now for collecting all those extra dollars; it's more a matter now of pride than anything.

Mr. Siegwarth added that once KCSP and Tonto Bridge are paid off it is 100% appropriated for these purposes as determined by the legislature. He noted that staff have had several "grand strategies". Two years ago staff tried to make the

Enhancement Fund 100% non-appropriated and the Governor supported it. It didn't fly. The reason staff pushed so hard for it this year was they thought it would be easier going in for it in 2010 or 2011 with a 50/50 split in place and argue that it should be continued – and into 2012 and 2013 as well.

Mr. Siegwarth added that having \$20 million floating around in the Growing Smarter program may be helpful, but we are a small fish in a very big pond.

Mr. Siegwarth pointed out that we still have \$188 million in unmet Capital needs. The Governor's Growth Cabinet will be doing a lot of exciting things that we could be a big part of, but there are funding issues here as well.

Mr. Siegwarth noted that when we start talking about 2010-2015, we are not only at the mercy of the tourism industry but there is a lot happening in the global economy that filters down to us. Interest rates are tightening up. China is changing dramatically. The war is affecting our funding from LWCF. There are a lot of unknown factors out there. We can't say that the legislature is going to be flush with cash in 2011. They will be short in 2009. Oil is affecting our operating budgets.

Mr. Siegwarth stated that what it all boils down to is that we've had some very good, coherent legislative strategies for our budget. Staff have fought hard and actually done better than most state agencies. He believes getting \$5 million in General Funds over the last three years is a lot, but it's not enough and never will be. The Board needs a new, coherent, overarching strategy that not only addresses our parks but everything else we are involved in. If the Governor's Office doesn't endorse it, then it's dead on arrival. If the Governor's Office is strongly behind it, then it still has to go to the legislature. They listen to the public. When we talk about the Heritage Alliance initiative, based on the polling that's been conducted, a lot of public education needs to be done if we are actually going to get something through. It needs to be a big integrated strategy that includes our Marketing staff, the ASP Foundation, and friends groups. For the first time he's not asking the Board to decide that strategy today. We have a year. A lot of things will be coming into alignment by next September and we need to have our stuff together or it will be another three years of being nervous at the end of the year about not making it through the year with the budget.

Mr. Porter stated that one of the things that has disturbed him since being on this Board is how things were before. The financing structure of the agency appears pretty simple and simple to understand. If the agency were hurting and not receiving proper funding it's pretty easy to point out how and why and get the news out and get our friends angry. His concern is that our funding formulas have become so complex that he has a hard time trying to explain them to anyone from the outside. He also believes that there are legislators who don't understand it. He believes that there are members of the public who think somehow that ASP is over-funded. He suggested that one thing to look at in this strategy is how to bring a cohesive, sane process that people can understand and look at fairly easily and comprehend why the Board is not a fat cat or have the ability to spend money the way it would if it were fully funded.

Mr. Ziemann responded that, as the person who is before the legislature all the time, it is his contention that the complexity in the budget is a strategy that is used so that people don't understand and just set it aside. The ultimate strategy for dealing with us, and we are not unique, is that the legislature wants to give ASP as little General Fund as

they can possibly give us. They will pick and choose whatever funding source they can get to us to a point where we're not going to squeal. About five years ago when the Board decided to close some parks seasonally, the Board essentially "squealed" and the public reacted. The legislature, in turn, reacted. It was critical for them, however, to find that spot. They were going to cut us until we got to that point. Now that they kind of understand where that point is, they are going to get us up to where we won't be an issue in the newspaper and won't cause them headache and heartache. They have no interest in seeing ASP thrive, either, and funding the agency to the point where it drops. He believes that is their strategy in coming up with a budget and the complexity just helps from their perspective. People don't understand so they don't complain. Our budget cannot be explained especially to someone who is not involved in state government. It cannot be explained in two minutes or even in two hours.

Mr. Travous added that government does not fund excellence in anything. They do not fund it in education. They only fund what is adequate.

Mr. Woodling asked if was during this period when the Board "squealed" that they took away out-of-state travel.

Mr. Travous responded affirmatively.

Mr. Porter added that they even passed a statute that forbids the Board from reducing the hours of operation at the parks.

Chairman Cordasco called for a Recess at 1:12 p.m.

Chairman Cordasco reconvened the meeting at 1:30 p.m.

2. Revised FY 2008 and FY 2009 Operating Budgets

3. FY 2009 and FY 2010 Capital Improvement Plan

D. DISCUSSION REGARDING THE AGENCY'S FUTURE DIRECTION, WHERE IT NEEDS TO GO, AND HOW TO GET THERE

1. The Board will not take any action at this time on the subjects discussed

Mr. Travous thanked Mr. Ziemann and Mr. Siegwarth for their presentations. He stated that he would be giving an overarching look at the seven points. The Board should have a copy before them. He hoped to give the Board a look at how staff have looked at this and what they've done over the last year since we've started down this road. He also hoped to give the Board an idea of what the internal assessment is and discuss what is happening. When we get to #4, Ms. Statler will have a full presentation to give the Board regarding what the agency is doing regarding the foundations and friends groups.

Mr. Travous reported that a month ago he asked staff how they thought we were doing on each of these seven points and which we were falling short on and discussed those. With regard to #1, staff thought we did a pretty good job. We got the Governor's attention and we made our case, and the Governor made her case. She didn't give us everything in the first year but her budget recommendation was to make us whole over the next two years. One cannot go further than the Governor without doing so at one's own risk. It did not hold through the budget discussions. The agency got some of it but not all of it. The indication that came back to him was that this is not a closed issue and that what the agency did not get this year she would try to get for us next year. They

only had so much bargaining time and so much bargaining position. They were going to go back next year and try to get whatever they fell short on this year. All has not yet been lost in regard to making our case. He noted that he believes we need to do the same thing next year. In his discussions with Lori Faeth just within the last few weeks, she suggested he meet with her and George Cunningham and the Budget Chief, Jim Apperson. He suggested that Board members be involved. The idea is that rather than bringing them our needs we work out a strategy together. He believes that's even better. He hopes that over the next couple of months we will be able to bring Mr. Cunningham in with Ms. Faeth to discuss our budget and work out a budget with them and receive some political insight from them.

Mr. Travous stated that, with regard to #2, staff feel we have quit hiding our problems. Word got out and there were write-ups in the papers. It is interesting that there was some internal resistance in the beginning. Parks' staff are not used to letting people know that things aren't looking good; they want people to enjoy themselves when they come in – it's a source of pride. We had to get over that. Letters went out that staff was coming in to take photo shots of problem areas and that no stones were being thrown at the parks; stones were being thrown at the legislature to get their attention and staff needed their help to get those pictures. The long-and-short of it is that we now have a nice cadre of pictures from around the state and it made our case very well. Again, one picture is worth a thousand words. Those are the kinds of things staff sent up to Kathleen Ingley and that's when the editorial appeared in the paper a couple of months ago about ASP's needs. Getting back with Kathleen Ingley, who wrote that article, should be another part of our strategy.

Mr. Travous suggested that one of the things we should do is get the Texas State Parks' Director here. They just had their budget tripled. He has never been so happy for Walt Danley in all his life and so sad for himself. As he understands it, they had legislators (in their words) that stood in the breach. When they decided something needed to be done they were going to get it done. This amounts to an \$80 million increase and they are hiring 200+ new employees. Things were terrible in the Texas State Parks system. He doesn't know what their funding source is.

Mr. Woodling asked how certain that is. Will hiring 200 new employees, translate into layoffs in five years? Evidently the legislature changes and the ideas change.

Mr. Travous responded that he didn't know. He believes the Director's response would be that they'll take them for five years.

Mr. Porter noted that no one knows what the situation will be five or six years down-the-road.

Mr. Travous noted that they are looking for a new head of the Dept. of Natural Resources for Texas. That may have been his Swan Song. He doesn't know. He would like to explore what all took place in Texas that caused the turnaround. He believes, however, that we started in the right position when we quit hiding our problems and started to let people know that things looked good on the surface but that we don't just deal on the surface. If certain things fall apart, the park closes.

Mr. Travous reported that #3, the efforts of the Heritage Alliance could define us for the next generation and we need to be engaged and supportive. This and #5 were the two that the staff thought were the most important things on this list to be discussing.

During the last week a lot of things happened. Last Friday he went to a Game and Fish Commission meeting. They talked about the Heritage Fund and the Heritage Fund Part II. He had hoped to bring the Board a slide show of the study the Heritage Alliance did regarding public support for Heritage Fund Part 2 – a bigger, more robust Heritage Fund. It is quarantined until August 7. For whatever reason, their attorney said they should not show it around until August 7. That is the day that the Board are all invited to come to the Phoenix Zoo and attend the Heritage Alliance meeting. The presentation boils down to the following. They conducted focus groups and 400+ telephone surveys (with a reputable group) to see what support there was for different levels of an increase in the sales tax for the Heritage Fund that would go to ASP and to the Game and Fish Commission. The level they zeroed in on was \$40 million each, or 1/10 of a cent. It would amount to \$40 million for ASP.

Mr. Travous added that, if this is an initiative, the pollsters like to see support in the 60% range. There was a 60% range of support for things like the Heritage Fund for Game and Fish and ASP. When using the sales tax was raised, support slipped below 50% to about 49%. Once people were educated as to what the issues were, it went up to 57%-58%-59% - not the 60%+ range where they like to see it, but certainly well above the 50% range. The poll was telling them that there is support out there if several things happen. One is if all of the people who would benefit from it (ASP, Game and Fish, AZ Parks and Recreation Association, the hunters, the hikers, the archaeologists, the historic preservation community, etc.) were all in favor of doing it and would get behind it. It would still be in trouble if one well-funded group opposed it. Because of the education factor, they went from what they thought would be a \$1-\$2 million campaign to a \$5-\$6 million campaign. They will have to raise \$5-\$6 million by a year from now if they want to get this on the ballot in 2008. The importance of 2008 is that they need the time. However, the disadvantage is that it's an election year and the media time that needs to be purchased increases. They have to buy their air times now rather than wait until September or October of the year they do it. They say they have the support of the Governor to move forward.

Mr. Travous reported that at its meeting last Friday, Game and Fish Commission passed a motion to work with the Heritage Alliance and to meet with the Parks Board in the future to see if the Board wants to work jointly with them for the future of the Heritage Fund.

Mr. Colton asked if the 1/10 of one cent is the total amount to go to ASP.

Mr. Travous responded that it would total \$80 million – ASP would get \$40 million and Game and Fish would get \$40 million a year. He added that the Heritage Alliance asked him several months ago what amount ASP would need if they were to do this initiative. As public employees, staff cannot do those sorts of things. Staff can do them on their own time; staff can educate people who are in the parks, but staff cannot take positions on it at all. Staff can educate but cannot take positions other than as a citizen on their own time. His response to their question was that, if they do this, they have to give the agency more money than the legislature can take away. If the agency gets \$3 million in General Funds, that \$3 million in General Funds is gone. If the agency is making \$9 million a year in revenue and get to keep it, that \$9 million is gone. One can bet that everything the agency has, including funding sources, will be gone.

Mr. Travous added that another issue brewed up last Friday. There is another group called "Wildlife for the Future". Mr. Hays Gilstrap was a former Game and Fish Commissioner. He and his wife want to do a Referendum first. They argued, at the Game and Fish meeting, to do a Referendum rather than an Initiative. He explained that a Referendum is something the legislature puts together and puts out to a vote of the people. It has to be a single issue Referendum. An Initiative is done by the people and doesn't have to be a single issue. The thought behind the Referendum was that a group could show that they went to the legislature first. Enough safeguards would be in it so they couldn't take the money once it's there. Other people at the meeting then stood up and said anything the legislature puts in the legislature can take out. It doesn't fall under the Voter Protection Act. He added that there was a legislator in the Heritage Alliance meeting who approached him and asked if the people who spoke against a Referendum were referring to him specifically. Mr. Travous responded that he believed they were talking in general.

Chairman Cordasco asked Mr. Travous to outline who the Heritage Alliance is.

Mr. Travous responded that the Arizona Heritage Alliance is a group of people who got together initially to put the Heritage Fund together. It included Tom Woods (a former Game and Fish Commissioner), Bill Roe (former Parks Board member), and Becky Jordan (former legislator). Mr. Woods and Ms. Jordan still serve. The membership has changed, but some core members remain. Within months after the Heritage Fund passed, the legislature tried to rob the money. Those same people created what they called the Heritage Alliance. They see their job as (over the last 17 years) being to protect the Heritage Fund from being robbed by the legislature. There have been 30+ attempts to do so over the last 17 years. The only successful attempt was \$10 million taken from Game and Fish that was paid back the next year. That happened in 2002. The Heritage Alliance just got this information on the poll last week. They made the offer that anyone who wants to see their presentation between now and August 7 needs to let them know and they will make arrangements to go through the slide show. They will make it public on August 7.

Chairman Cordasco noted that it's on the Agenda for Thursday and asked if the Board could make a motion to support if they so wished.

Mr. Travous responded that it is on the Agenda for the Board to discuss and craft a motion as the Board sees fit or not fit. The Game and Fish Commission has a lot more focus on what they want to see done. ASP staff have only given the Heritage Alliance general ideas of what the agency would like to see done. This is something the Board needs to discuss and work out before getting more specific. He noted that the first question is whether the Board want to. The second question is to what extent does the Board want staff involved and whether the Board members want to get involved.

Mr. Winkleman noted that a Referendum is a lot cheaper than running an Initiative.

Mr. Travous added that other people talking to the Heritage Alliance include The Nature Conservancy, Trust for Public Land, and the Sonoran Institute. He knows they have had discussions with people from SRP and APS. There are talking to some high rollers. The reality may be whether they can raise \$5-\$6 million dollars in that amount of time. They need 186,000 signatures by July 1 of next year. At \$5 each, that's \$900,000 should they have to pay for all of them. The bigger cost will be the educational cost.

This is the big thing they are looking at. Staff has had some internal discussions regarding the Heritage Fund being under-funded when it comes to Local, Regional and State Parks (LRSP) when they make application through the Heritage Fund and get (this year) \$13 million worth of funds being requested. The Historic Preservation Fund has a cap on it so they never fund big projects. He believes there are three tiers: Is it worth going after? How does the Board want staff to spend their time? How does the Board want to get engaged with the Game and Fish Commission? After those decisions are made, things should begin to fall into place and staff will know how to adjust their workload.

Ms. Westerhausen asked if staff are aware of any competing initiative by any other groups also trying to increase the sales tax. It could be a problem should there be more than one initiative on the ballot to try to increase the sales tax.

Mr. Travous responded that he has not heard of any. He knows that there's a group in Lake Havasu that is trying to gather signatures to ensure that the sales tax does not go above a certain level. Other groups are out there, but none that he has heard that would tap the sales tax.

Chairman Cordasco asked what was successful in getting the first Heritage Fund passed.

Mr. Travous responded that polling was done at the beginning to see who was for it and who opposed it. Back in 1990 when it was first done, the most reliable group out there to support it was the white Republican male over 30. How times have changed. That's why during the 1990s, when Symington was running for governor, he stated his support for the Heritage Fund. Another thing they did was make it non-political. The first thing out of the chute was an ad that showed former Governor Bruce Babbitt sitting with Senator Barry Goldwater in Goldwater's back yard talking about the needs of Arizona. Two quintessential names in Arizona talking about Arizona. They crossed the political barrier. On a more finite scale, the division between the Game & Fish Commission and Arizona State Parks was 50/50. Even though the programs were different, there was not going to be bickering between the two state agencies. There was a discussion regarding if someone had a problem with Game & Fish they should talk to Game & Fish about it and if someone had a problem with Arizona State Parks, they should talk to us about it. Finally, it was the Lottery. It took untapped money from the Lottery – it wasn't going to gore anyone's ox. It was put forth in line.

Mr. Travous added that there are other things being discussed by the Heritage Alliance that he's isn't sure how far they've taken them. One is to look at bonding against future revenues of the Lottery to bring some money up front. The other is to go in to the Lottery again and put the Heritage Fund first in line before the others.

Chairman Cordasco asked if this Heritage Alliance includes the same members as they did the first time.

Mr. Travous responded affirmatively and added that they have some new people involved now. Originally, they did not have the Sonoran Institute nor the Trust for Public Land involved. The real key last time was The Nature Conservancy. They bring in their people from all over the country. They know how to conduct polls; they know how to run campaigns; and they've got money.

Mr. Woodling asked if we are fourth in line to receive money from the Heritage Fund and whether education receives Lottery money as well.

Mr. Travous responded that we are fourth in line. However, he does not believe that education receives any money from the Heritage Fund. That's a big misunderstanding.

Mr. Siegwarth added that a big chunk from the Lottery goes to transportation.

Mr. Travous added that there's a small community of road things and big part for transportation. Everyone just assumes it's for education.

Mr. Woodling noted that Mr. Travous mentioned the Lottery. The state also gets money from Indian gaming revenue. He asked if that is part of the Heritage Fund.

Mr. Travous responded negatively. That is a separate fund with its own statutes.

Mr. Travous noted that PowerBall is different.

Mr. Ziemann added that PowerBall almost all goes to the General Fund.

Mr. Colton asked how much of that \$40 million would go to operating parks versus going to grant programs.

Mr. Travous responded that that would have to be determined by the Board and staff. He guaranteed that all of the operating costs we have will have to be taken care of first. His recollection is that one takes care of all of these things while increasing all of Historic Preservation and local funding by substantial amounts and giving the agency an extra \$5.5 million a year to hire some people and start (in a big way) a capital campaign to knock down the \$180 million in needs. He believes that over 10 years the agency could knock down \$180 million in backlog of maintenance and acquisition and development needs. Given that, it would free up about \$18 million a year.

Chairman Cordasco noted that there will be time during tomorrow's meeting to discuss this in more detail.

Mr. Porter noted that, while the Board can continue discussion, there is no language on the Agenda allowing for action on this issue. The Agenda usually contains language allowing the Board to take action on anything it discusses, but that language is missing on both today's and tomorrow's Agendas. Therefore, the Board can only take action that is on the Agenda.

Ms. Hernbrode agreed that when that language appears at the top of the Agenda that says the Board can vote or take action on any item on the Agenda, the Board may do so. That language does not appear on this or tomorrow's Agenda. The Heritage Alliance item was listed as a discussion item; not an action item.

Mr. Travous noted that Mr. Siegwarth mentioned the need for Marketing, the Foundation, and friends groups to be integrated into the Strategy. Up until now, when the friends groups and the Foundation are discussed, it's been more in the sense of what they bring to the table when it comes to a capital need. The Benefactors of Red Rock provided equipment and everything inside the Visitor's Center here. That's what we generally think of friends groups and foundations as doing. But it really goes beyond that. When we talk about this campaign with the Heritage Alliance, it's not just about raising funds; it's about raising friends. It's the types of friends that are engaged with the volunteers who are people who are already engaged with what goes on at the

parks, the Foundation (who will be discussed tomorrow), the people at Oracle State Park, the people at Friends of Kartchner Caverns State Park, and all those who have already shown that interest that will help the Board organize. These are the people the Board can tap when trying to put together a campaign. There are legions of people in that area. Ms. Statler will discuss that more in depth.

Mr. Travous discussed Strategy #5 – the Board needs to be more proactive on the issue of growth. He and Mr. Winkleman are members of the Governor's Growth Cabinet. Staff presented a presentation to the Board on growth. One of the things that struck him on the polling that the Heritage Alliance conducted was that they asked whether or not growth is important and whether or not there is enough open space, a large portion said no, we didn't. What struck him was the large portion of people who still thought that we did. From his perspective, the education that needs to happen when they drive down toward Buckeye and see open space, they think it will never be developed. They don't see the things we've seen – the land is already plotted; it's already been approved by local governments; it's just waiting for investors to come and build on those lands.

Chairman Cordasco noted that 85% of the people who lived in Maricopa County did not live there 15 years ago. In some ways, it's very relative as to where those people came from.

Mr. Travous noted the Phoenix is the 5th largest city in the country now. How many of those surrounding towns are now in the top 40? It is just amazing what the growth is. Included in the top 40 are Chandler, Mesa, etc. He believes there is a lack of recognition as to what the metropolitan areas will look like over the next 10-20 years.

Mr. Colton commented that he has been sitting on the Governor's Growth Cabinet, as the only non-state agency person, as well. One of things they discovered down south was that when one is conducting a poll, open space is a nebulous term for a lot of people. They actually stopped calling it "open space". Depending on the terminology used, there is more support for it. Sometimes growth is the issue. It is what the effects connection is made between the impact of growth and tying it to open space. People know land is being chewed up, but it's not necessarily a direct connection to open space.

Mr. Scalzo noted that one of the issues that has come across is that most of the population does not want to breathe bad air. Another issue is agricultural. Those issues are out there.

Chairman Cordasco asked if staff have any ideas how the Board could purchase land for the purpose of growth.

Mr. Travous responded that we need to continue talking about where we are and stay involved in ourselves. It ties in with #7 – making sure we do the long-range things that get us where we need to be rather than sitting behind them when it comes to a space here or there that could be left as open space or a park or whatever.

Board member or must it be done as a private citizen.

Ms. Hernbrode responded that this is a two-part question. Part of it is if one is reporting as a Board member and the other is whether or not the lobbying laws would be violated. She would not encourage any Board member to represent themselves as a Board member and speak a position without knowing what the Board had authorized.

In terms of the lobbying laws, there is a registered lobbyist for ASP, Mr. Ziemann, who knows how to do it. There is, however, an exemption in the lobbying laws for Board and Commission members. They can speak on matters that relate to their membership on a Board or Committee. She would be happy to discuss this with Board members, especially if there is something a Board member wants to speak on publicly.

Mr. Travous asked if there is some inherent or implied responsibility that gives Board members the authority to speak on those matters.

Ms. Hernbrode responded that there is a statute. The lobbying statutes speak to the registered lobbyist and has a specific exemptions. She didn't have the statute before her but she knows that it grants the power but does not know that it creates the responsibility.

Mr. Travous noted that when the G&F Commission made their motion he asked himself if they were getting themselves in trouble by making it. Their motion said that they wanted the G&F Director and his staff to work with the Heritage Alliance to gather the information they need to put this initiative together and to work with ASP to come back with a unified approach as to how to move forward.

Mr. Travous then returned to his discussion. He stated that, interestingly enough, what thought it was artificial or whether staff thought our actions would determine how year.

Mr. Ziemann noted that staff are working with Ms. Krug. He believes that in one sense perhaps the marketing effort fell down a little bit is because in the past year it has been very obvious that what we have been marketing is the 50th Anniversary. Tentatively, staff are looking to begin implementing a tag line for 2008 that would run as, "Arizona State Parks Conserving Arizona's Treasures". Staff feel that it's all encompassing. He's excited about it and feels we can move forward with it. It is not, however, set in stone. If we can come up with something better we will modify it. Staff attended a Tourism conference last week and were reminded that the Super Bowl is coming. There will be a huge influx of people coming. That may be something we piggy-back on or take advantage of. But, for July 18, 2007 staff are looking at "Arizona State Parks Conserving Arizona's Treasures".

Mr. Travous suggested that the Board ask themselves, when they get into the overall discussions, how our marketing should be integrated into our strategy – if its treasures should we have something in our strategy in regard to the Heritage Alliance that says, "People are getting into your treasure house and robbing it." Those are the kinds of discussions we need to have when we begin working it into the strategy.

Mr. Scalzo noted that in his experience with the three universities in the state as to what ASP is, in some cases it's recreation; in some cases it's education; in some it's conservation or heritage. His concern in tying it to one thing is that it may irritate those who think we are something else. And maybe this isn't us. He understands the need for focus. He believes that the agency has generated excitement just by celebrating the 50th Anniversary at all the parks.

Mr. Travous responded that the agency received an award last week from the Tourism Department for our 50th Anniversary Campaign at their annual awards banquet. We tied with the Fiesta Bowl campaign.

Mr. Porter stated that he agrees with Mr. Scalzo and that congratulations are certainly in order for the 50th Anniversary Celebration campaign. Who ASP is really perceived to be is through the local parks. The agency is really the sum total of all the parks and each has its own subtle personality and its own subtle appeals. He's not sure we do as good a job marketing them and recognizing that's our front line. We really need to have a broad-based perception. Those parks have got to take the lead with the locals and they will need to have a process similar to what we've been doing with these celebrations. He loves getting those invitations.

Mr. Travous stated that what we're doing now are things we need to take time to do and continue to do by sitting back and looking at it from a broad scale. Mr. Siegwarth has outlined the horizon of 2010-2011 where things begin to happen politically between now and then. This is the time to start talking about that. We've had some things that have failed, but they haven't all failed altogether. We've had maybe 20% success on something, but he still believes that it's 20% we wouldn't have had if we hadn't done anything. He believes we need to start that process over again and keep working at it.

Mr. Travous then moved to #4 of the Strategy plan.

Ms. Statler then presented a PowerPoint slide presentation. A copy of this presentation is included in the Board Book for reference.

Mr. Porter commented that he noticed that the various groups involved (volunteers, friends groups, and others) are internally oriented around each of the parks and that is as it should be. However, he thinks they also need to recognize that they can also be of tremendous help in marketing if they will recognize that they can come up with gimmicks that will put their park on the map and especially impact outside entities in ways that are unexpected and lead to a view of excellence. That's really what the Board decided that's what it wants the agency to be – an organization of excellence – the best. Fundraising is to finance and underwrite the treasure for which it was formed. For instance, the Tombstone Friends have raised funds to support the Tombstone Courthouse. They are advertising ASP – advertising Tombstone. Therefore, Tombstone is more than just an old building – it has a tremendous amount to offer in the way of education and research and inspiring thoughts and ideas. The other is McFarland State Park's friends group. They have especially stepped up to the shop. They receive contributions earmarked to the agency to serve as a grants program to underwrite our youth programs which are, in turn, tied into history and to underwrite speakers at the History Convention. Every time those things happen there is a wealth of publicity coming out of McFarland State Park. There is an aura of excellence that is imbued by that.

Mr. Travous then reported on #7 of the Strategies Plan. He stated that that is what staff are doing now. It's the sitting back and trying to forecast what we need to be doing, where we need to go and what we need to get there

Mr. Travous stated that he was taking notes as he listened to people speak. We noted that there is one item left on the Agenda – Discussion Regarding a Board Creed. That could be done tomorrow if we run out of time.

Mr. Travous stated we need to look at the issues of the Governor and the legislature and the Board the marketing strategy, the Foundation and friends, talent management, and the retirement tsunami of ASP staff. These are the issues that will have direct impact on

our future. Regarding the retirement tsunami, there is a good book out (*Encore*) that is a good read by a gentleman from California who is looking at the wave of retirees from a different perspective. What he sees happening is that a lot of people who have made their money over the years and will want their encore to be something that will give them meaning in their life. They are volunteering now in social services agencies; they are volunteering in the hospitals; and the outdoors arena. This book says that, if we are ready for it, there is a whole cadre of people out there who will retire over the next few years who will want to come and work with us who will have various talents, and will perhaps want some different things. Staff are looking at, for instance, providing health insurance. The Dept. of Administration is looking at the ins and outs of the volunteer possibility where they payment would be health insurance until they are eligible for MediCare, which a lot of people would like to have.

Mr. Travous added that the question is how to keep people on a few extra years. It used to be, "Here's your gold watch – goodbye." Now we're saying, "Wait a minute. Maybe we should be looking at some things to keep people engaged through a year or two more so we don't get 'brain drain'." One company had some retired executives who they gave a cell phone and gave them \$1,000 per month to be on retainer. There's also the volunteer who doesn't have park experience, but wants to come in and help. There is a former CFO who works on the books at Red Rock State Parks. He just wants to be engaged with the park.

Mr. Travous noted that another thing staff have done in Project is that the Human Resources staff and he and some Operations staff have put a list together of about 30 people to discuss how to attract people we want to attract and how to retain people we want to retain over the next couple of years ("Talent Management"). In the Public Sector, from good to great means that when someone is hired, he/she has a six-month probation period. In the book it is stated that it used to be that the thought was that if one does not "mess up" in six months he/she is in. The author changed the thought process. In his school he said new hires had six months to prove themselves or they were out. When 250 people apply for 20 openings, it's something we should be looking at more closely. Over the last couple of months there have been a lot of personnel issues with people we should have taken a better look at.

Chairman Cordasco opened the meeting to discussion on Strategies.

Mr. Woodling referred to #5. He noted that when talking about the Verde River, the Santa Cruz River, and the Slide Rock water quality, these are issues that are hard to get the meaning of. He understands the dry conditions and growth. The Board had several discussions a few months ago on the railroad switching yard at Picacho Peak State Park. Then he sees that the #1 priority under Capital Improvements is a visitor's center there, improving the campgrounds. If one looks at that particular Capital Improvement as something under #5, will that park will be there in 5-10 years? Or, will we move that park as was suggested and go around to the other side of the mountain? When one looks at the situation at Picacho Peak and moving the park to the west side, then you have to deal with the west wind coming in. These are things that he looked at when reviewing the Capital Improvement amount of money in that document. He asked how this Board looks at issues like this one-by-one. He asked how these decisions are made. A lot of these things are so nebulous – the Verde River drying up; the railroad yard may

or may not come in, depending on environment impact and all the various studies. He thinks #5 is a real tough one for the Board to look at and get a grip on.

Mr. Porter stated that he wondered if perhaps staff need to take the time to do a hard-core survey of each park and look at them from the standpoint of what it is that is threatening these parks. For instance, what kind of threat does Slide Rock State Park have? The answer would be the water coming down the creek. However, we should be identifying what other things could be out there that we don't ever think about that could threaten this park, knowing as we do the things that are going on out there – droughts, water issues, etc. He believes that if staff started doing this, we may be able to come up with some better strategies in how the agency tries to discourage these things from happening by making people aware of them or doing things to stave them off. He believes Picacho Peak State Park is in danger. The Board are not saying this will be an absolute disaster. Other people are saying that. However, we don't know that it won't. Perhaps we need to devise a process by which the Board are able to determine those things.

Mr. Colton stated that it also appears to him that, since the Board knows growth is going to occur, he believes that the Board have an idea as to how much growth will occur and about where it will occur. It's not simply a threat to individual parks because it's a growth thing, but there is a huge amount of opportunities. It's almost like doing a SWAT Analysis of each park. In planning ahead, we need to find out what future opportunities there may be for new parks to serve a urbanized population.

Mr. Scalzo stated that perhaps the Board needs to think about planning the system and studying all of the state parks. Maricopa has a paid consultant to do that. The Board has big issues with Lake Havasu. It irritates him that we're not spending money to make a plan for that ideal location could be as good as Kartchner Caverns State Park for revenue generation.

Mr. Siegwarth responded that the JCCR should be hearing staff's request for expending \$1.5 million to do that tomorrow.

Mr. Winkleman stated that the Board needs to recognize its strengths and its limitation. It is obvious that there is not enough staff to do all of this. It might make sense to consider hiring someone like a Land Planner to go out to the parks and do that sort of survey. Some of the parks may well become urban parks. Urban parks are not the business of ASP. It may be wise to have an expert on staff.

Mr. Travous responded that that is exactly what former Board member Mr. Bill Roe has been arguing for some time. He noted that the impact of long-range plans on a particular park has been discussed. Then we discussed that we don't know all those things we should that would impact individual parks. Going back 20 years ago when he was brought in, his strength was planning. He's done planning on a statewide scale in Tennessee and in Utah. He's done it in national parks and as a consultant all over the country. Right now, it's beyond him. He could anecdotally tell the Board a lot; but when he sees what they can do now with computers things are changing so fast that by the time he can catch up to speed with it we would be back behind again. The agency is probably at a juncture where we need to bring someone in from the outside who doesn't have any preconceived ideas like Maricopa did.

Mr. Porter stated that he believes our answer to the Growth presentation needs to be that we now have a pretty good idea where the growth is projected. Now, the legislature and the Governor need to provide funding to the agency to meet its needs to to bring in experts to conduct high-quality studies to tell us, as an agency, what we have to do to meet those needs and be prepared to deal with them. It might have some appeal to them because they spent a lot of money to get that study.

Mr. Travous responded that Picacho Peak will always be there. However, will people even use campgrounds 20 years from now? Meanwhile, if the Board wants consulting on a smaller scale, we can do a scoping process. From a political standpoint, we can talk about how they did it in Texas. He could bring in Paul Dabney for a future meeting.

Chairman Cordasco stated that he feels #2 is probably the most significant philosophically for ASP. It says we need to stop hiding our problems. We could also interpret that as not pretending we are something we're not or to not strive to be something we can't be. We need to stay focused on the reality of what we can achieve. He believes that it's important to blend that into who we are. He thinks that, while we have to stop hiding our problems, we also need to be honest about what is the full potential of the Board's leadership in the future of Arizona as ASP. What is our full potential as an organization. Is it to be all the things the Board has discussed or will groups come along who are can do them and maybe do them much better.

Mr. Travous responded that he received a phone call yesterday from Mr. Chip Davis, County Board of Supervisors, who wants to meet with him next month about creating a park. The note didn't say whether it's a state park or for him to assist them in creating a county park.

Mr. Porter stated he believed the Chairman is right. He remembers when the Board voted to divorce itself from being the lead agency in the Santa Cruz because we did not have the resources and it wasn't something the Board would ever do, but the Board did not simply walk away from it. The Board decided to bring other groups together who probably could do it the right way. The Board acted as an enabler and encouraged them to talk. He believes that was the correct approach. We can't be everything to everyone.

Mr. Colton stated, regarding the statewide campaign slogan, that he had attended a session at a conference last spring in Wisconsin. One of the speakers was from an ad agency and works primarily in a communications marketing advertising agency in San Francisco that works primarily with non-profits. He spent a lot of time talking about the "Don't Mess With Texas" campaign and where it came from. It was completely different from what he thought it was. It was all based on an anti-litter campaign and who the market was. He asked if studies have been done for our parks system or what our primary market is now and what it is perceived to be. He got to thinking about the question as to whether people will be camping in the next 20 years. If more and more of the next generation don't know how to divorce themselves from the computer will we have to provide WiFi at all of the parks? And, will they actually go there or will they want a virtual park that exists on the computer? There is a near-term issue but there's also a long-term issue as to what exactly our marketing will be.

Travous responded that the agency does a survey every five years on who is coming, where they're coming from, and get profiles on the visitors to try to do some prognostications based on that information. The further out you get the "iffier" it gets because so much happens on the inside. Some of the things staff have seen are that there's been a large switch over to people hiking, biking, and more on-the-ground-based things. There is now a plurality of women rather than men. The Hispanic population is not interested in our parks. Those types of studies have been done.

Mr. Ziemann added that the newest survey is currently underway. A presentation will be given to the Board in a few months. He noted that at least twice staff have taken results of these surveys and hired a private advertising agency to come in and look at who we are and the breadth of the resources we have, the results of the surveys, who our visitors are, how are we doing, how should we talk to these people. That has driven the campaigns we've run. It largely dictates where we spend our marketing dollars and try to reach those people.

Mr. Ziemann noted that a lot of what staff saw were exactly what the Board has been discussing. There was a huge change five years ago as to where people got information about coming to parks. There is no longer an ad in the newspaper or hearing about it on the radio. It is on the Internet. The first place people who want to go anywhere now "Google" it. That's the way people get their information now. The efforts and time staff put into designing and updating the website have changed markedly.

At this point, there was discussion on whether the Board should Adjourn the meeting the pick up first thing in the morning or simply Recess until July 19.

Ms. Hernbrode stated that it is permissible under the Open Meeting Law to recess a meeting and finish it on the following day or Adjourn.

Mr. Porter made a motion to Recess this meeting until 9:15 a.m. the next day. Ms. Westerhausen seconded the motion and it carried unanimously.

The meeting was in Recess at 4:10 p.m.

E. DISCUSSION REGARDING A BOARD CREED

Chairman Cordasco reconvened the meeting at 9:18 a.m. All Board members were present except Mr. Winkleman who arrived at 9:___ a.m.

Chairman Cordasco noted that there is this one item left over from yesterday's meeting – a discussion on a Board creed. He asked if Mr. Travous had anything prepared for this discussion.

Mr. Travous responded that he had some things staff sent him that tended to be rather long and not of much help to the Board.

Chairman Cordasco explained his reasons for wanting to have a Board creed. This is not new. It has been on several agendas. Over the last five years the Board has spent a great deal of time visiting with staff regarding the organization as a whole, planning for the 50th Anniversary celebrations, talking about the history of the State Parks system, discussing the future and where it's at. We discussed different things like a new economic model for budgeting. It is, of course, for this Board to do that. With the 50th Anniversary celebrations rolling in, the Board began talking about the future of the system. That future seems somewhat abstract today. It's difficult to get a hold of what

it will be like. There's going to be a lot of changes, including the role of ASP in a growing state.

Chairman Cordasco added that, in all of this, the Board redefined the agency's Vision and some of the Goals and Objectives about three years ago. An area that has been overlooked is why we are here as a Board. This discussion is not about staff; it not about the state parks; it's not about where the agency is going. Each Board member has a six-year term. That's a long time. Relatively speaking, each Board member has made a commitment for six years. Why are we here? The fact is, we have a bridge that we have to make from this six years to the next six years. We have a bridge from when we become a Board member to the next six years. Continuity must be maintained. This Board has three new members, and not all at once. How can we pass on the legacy of that Board? He feels it's helpful to the Parks' staff, friends groups, and others when they are asked where the Board's goal is in their leadership in the state parks.

Chairman Cordasco stated that he calls it a "creed" only in that it was the term he thought best fit. In other words, the Board could have a creed that is as simple as, "The Parks Board believes in the State Parks." That's a creed. It's a one-liner. He believes that ASP having one statement regarding the Board itself would be a powerful demonstration of the wholeness of the state parks agency in its ability to talk to the Governor on this is what we do, this is why we're here, and this is what we're going to do. It's a way for the Board to be reminded, as everyone passes through their six-year terms and the new members who join the Board, as to why they are here. That's what this discussion is about.

Mr. Porter stated that, now that he knows what the Chairman has in mind, he has learned to listen to him. He believes that the Chairman has opened another door that the Board has not paid attention to in the past. He stated that he has a couple of reflections in mind. He believes the Board really needs to understand what its role is. He's not sure there's been a cohesive understanding of that over the past couple of years. He noted that we have three new Board members, yet there is not any organized Board educational program in place. A lot of organizations brief new board members on every nuance and aspect of that organization. It is invaluable in allowing those people to hit the ground running insofar as knowing about the organization. It always takes a while to understand and get moving on the current business. However, they are not wasting their time trying to figure out what all the acronyms are. Having this influx of new members on the Board is the ideal time for the Board, once and for all, to put together a comprehensive sort of school of "boardsmanship" that Ms. Hernbrode would be involved in because she want to be able to school the Board members on the finer nuances of the Open Meeting. It would give the new Board members an opportunity to become familiar with, at least, senior staff. It would be an opportunity for them to understand the subsidiary organizations that the Board is responsible for. He really believes that there needs to be education for new Board members so everyone is on the same page.

Mr. Porter stated that the second thing is that the doesn't believe that the Board has explored the full range of things that the Board should be doing and probably are not as well as they should be doing. That was made apparent last year when it was decided that some of the Board members needed to become actively involved in the legislative process in dealing with the Governor's Office and in dealing with some of the

legislators as part of our operating program in an attempt to educate them about who the parks are what the agency does.

Mr. Porter added that there is one other thing that has been a sore sport for him. There is not quite the cohesive working relationship between this Board and the staff simply because occasionally we have Board members simply do not understand the agency and, unintentionally, almost micromanage it. He knows it was a sore spot with staff because it make their situation difficult. There were some positives that flowed from that occasion but there were also some things that were really didn't help the situation. If we do a better job of education and defining who we are those things would not happen.

Mr. Woodling stated he would like to back up a little bit and talk about what the Chairman just said. He heard two things. First, the question of why we came on this Board. He believes that is very important. The second was whether we, as individuals with all different reasons for wanting to serve on the Parks Board can form a cohesive creed. We're all coming from different backgrounds and directions. A third thing to consider is whether that's something we want to talk about as a member is nominated by the Governor and have that person come in before they go through the confirmation process. He asked where the Chairman sees this taking place.

Chairman Cordasco responded that it is not to be complex or complicated. The two points Mr. Woodling mentioned are correct – why you are on the Board is important (it's a six-year term). People should appreciate that it's a commitment we are making too. As individuals, when we come together once every month or once every couple of months a creed will pull us together for the good of ASP. Because it is what will pull everyone from different backgrounds and experiences, it should be kept very simple – the more simple the better.

Mr. Scalzo noted that, in listening to Chairman Cordasco's comments, he scribbled down something that is short and talks about what the Board is here for. One of the words is "support"; the Board has to support the staff. Support is educating folks; it's carrying messages. He believes that the reason he joined the Board is that he supports excellence. Staff are trying to achieve excellence throughout with their limited budget. He suggested: Supporting excellence in Arizona State Parks. It's easy; it's something the Board can be proud of, and it's something the Board can say. We are supporting the parks system and we want the excellence to be a key.

Mr. Woodling noted that he was on a Board that actually did not support the staff and during which time there was upheaval. He is having trouble with the word "excellence". He cannot put his arms around that word and know what it really means for him. He appreciates the word; but to him the word "excellence" is a nebulous term.

Chairman Cordasco responded that it's a good start. He asked Ms. Westerhausen if she had any thoughts.

Ms. Westerhausen responded that the Chairman's comments crystallized for her what she was hoping to achieve on the Parks Board. She put the negative part first so that she could end on a positive note. This is how she feels about it: Even in the face of cyclical pressures to reduce the importance of Parks, I want to protect, expand, and improve the parks. She can see that there's already a great deal of pressure on what's going to be park land, how parks should be used, and whether there should be a

process to exchange one piece of land for another for development. She believes the Board has to protect against that cyclical pressure and the cyclical thing of whether we want campgrounds or not. We may not use them in 20 years, but 40 years from now they may be appreciated again. Those things should remain in place.

Mr. Colton stated he had just one comment in terms of coming onto the Board. He felt he had a good overview from the staff and Foundation folks on all the workings. He participated in a two-day training session. It appeared to him that some kind of unifying statement that suggests why we are all here in our role as an oversight or policy or stewardship body should be implanted into the statement would be appropriate.

Mr. Woodling noted that he did not want to sound negative about any word. He's just trying to make the Board aware that Boards change, people come on for different reasons, and as part of moving into a creed, the Board concept we must remember that people come on for different reasons. He came on for reasons different from Mr. Porter, the Chairman, and everyone else. All of the Board members are supportive of a certain group of people. He was supportive of the cattle growers, or he wouldn't be here. Mr. Scalzo, with his background in parks, comes from a totally different direction. The same is true of Ms. Westerhausen and Mr. Colton and his planning background. He believes it's possible to put a creed together as long as it's a fluid creed that maybe the Board addresses every couple of years as the Board changes.

Chairman Cordasco responded that he hoped it would be just one or two sentences that, when the Board comes together at every meeting, it would be in consequent minutes and make sure we remind ourselves of the diversity we bring.

Mr. Woodling noted that this Board is a common denominator. The experience he brings is that 20 years ago when he sat on the Board it was totally different – totally different focus, totally different reasons for serving on the Board than this Board, and they were dealing with totally different issues. They were not fun issues. He certainly agrees that the Board's job is to support staff. He noted that Mr. Travous has been here nearly 20 years and noted what a great job he's done for this Board. He believes the Board can develop a creed.

Mr. Travous noted that as he looks back, the Boards have changed and the issues have changed. The first Parks Boards were really administrative because an organization had to be put together. Then, 20 years ago, when he was first coming on the scene, there was a watershed change. At that time, the Board was deciding what truck went to which park. Organizationally, things couldn't remain that way while starting to take care of the issues before them. Then the Board went through the process with its Mission. The one thing people he talked to had in common in talking about the creed was that they included the Mission Statement. He stated that, when thinking about the Board, his feeling is that: The Board are the stewards and the voice of our Mission. The Board is the voice from the public to staff and the voice from staff to the legislature and the public. The Board is its own little democracy when it comes to doing that. He sees the Board as being the keepers of the Mission and the voice of the Mission both internal and external.

Mr. Porter stated he jotted down the following: Leadership united in seeking excellence and stewardship of Arizona's treasures. He is hearing that the Board is looking to be

united despite our various backgrounds and the various individual reasons we may have for serving on the Board. We are all seeking to follow the Mission and do what is best for Arizona's treasures. He likes the word "stewards". While the words are nice, the creed needs to be communicated at every Board meeting. It may well be that it should be used as a measure of what the Board is doing at every meeting. Perhaps, as the Board gets into more difficult issues from time to time, if we pause to apply that standard to what is being debated, it may make it a little easier. This should be a "big picture" for ASP. It's really easy to forget that. After this is all done, he suggested that the Board sit down for 1 1/2 hour to brainstorm a list of things everyone generally agree on that are things this Board should be doing in pursuit of that creed. He touched on one or two earlier. Certainly the education of Board members as they come on to the Board is one.

Mr. Porter stated that the second would be to act as ambassadors to outside entities, whether it be the legislature or the Governor or G&F or other entities that could help the agency and with whom there should be a relationship. Very often that will only happen if the highest echelons of those organizations are in communication. Perhaps the Board should be meeting regularly with some of those other entities.

Mr. Porter added that he believes the Board is somewhat inept in how it deals with former Board members. There is a tendency to give them a nice plaque (which is always appreciated) and send them on their way. Sometimes they don't go away. There are a few (Bill Roe and Suzanne Pfister) who have insisted on continuing to work in the best interests of the agency. He believes he will be one of them. He believes the Board could organize them. We lose a lot of talent when Board members leave. He believes the Board could access this core of seasoned, trained Board members. Many of them have a lot of talent and ability. Many are in positions where they could really be of help to this Board. He doesn't know that we've had that.

Mr. Travous responded that some Board members do just want to go away. Up to now, he doesn't know of any former Board members who have just been shushed away.

Mr. Porter asked if the agency really makes a concerted effort.

Mr. Travous responded it does not.

Mr. Porter suggested staff may want to do that. As there's now a process for educating new Board members coming in, perhaps there should be a process for departing Board members where, basically, an interview is conducted on their impressions of what they've seen while serving on the Board and if they would be willing to continue to play a role and how much time would they be willing too put in. He believes we are missing an opportunity.

Mr. Travous responded that we don't do it formally but certainly tapping in on Ms. Graham was certainly part of that. He would have liked to have Mr. Duane Miller at this meeting but did not get back in town in time to invite him here. We do it, but it's not organized.

Chairman Cordasco stated that he thinks that the Board is close and understand where we are headed. He doesn't think we need to complicate it. He thinks we need to keep it very simple. He thinks it's appropriate to hear from any staff members who would like to share their thoughts about what they feel is appropriate for the Parks Board.

Ms. Hernbrode stated she would like to make a distinction between the Board's legal authority and what the Board chooses to do. The Board has the authority, under statute to run the agency. The Board has chosen wisely not to do that because it can be a pain-in-the-neck. The Board probably doesn't want to put any of its legal requirements into this creed because it already has them.

Chairman Cordasco asked whether a creed for the Board would be useful for the agency.

Ms. Statler responded that it would be helpful to her. She also noted that the Board's partners need to know more than what the statutes say. They need to know where the Board is coming from and where the Board is headed; what the Board's role is and how it affects everyone else.

Mr. Siegwarth added that one can't go wrong making his/her boss look good. Therefore, if the Board is happy and if staff know what the Board wants and can make it successful, then they have accomplished part of what their jobs are. When staff have to guess at what the Board might like, sometimes staff put in their own feelings and thoughts, which might digress somewhat from the Board's. He believes it really is important for staff to really know where the Board is coming from and where they want to go and what they believe in so that when staff deal with small issues, it offers them some direction and make those small decisions easier to make.

Mr. Ream noted that he was a little confused. He wrote a creed that was almost a page long. He believes the diversity of this Board is why it works. He believes that diversity should be a big part of the Board's creed. He believes the Parks Board has the opportunity to touch the future of Arizona.

Chairman Cordasco asked if Mr. Ream could quote the agency's Mission Statement.

Mr. Ream then did so. (Managing and Conserving Arizona's Natural, Cultural, and Recreational Resources, Both In Our Parks and Through Our Partners for the Benefit of the People.)

Chairman Cordasco stated that the passion and commitment of this group is tremendous.

Ms. Hernbrode added that she had never thought of the Board having a creed. A lot of things define the Board. The Board has a tradition as to how it has operated. She feels it would be interesting and helpful to hear a little more from the Board members about where they are and what it is they're interested in. She relies on knowing the Board and what they're doing. It may be helpful to outside groups to have a little more information. She suggested that it might be helpful to have a little more biographical information.

Chairman Cordasco noted that the Mission Statement has been discussed. Everyone knows what it is. It will evolve over time. It is what guides the overall purpose of the ASP organization. As Mr. Travous noted earlier, it is the Board's obligation and responsibility to uphold that Mission Statement.

Chairman Cordasco suggested that the Board start today with, "As Board members, we are gathered to be the stewards and voice of the Arizona State Parks' Mission Statement." He suggested it not be overcomplicated with a lot of other words that were

thrown out today, and talk about it again during the September Board meeting. By doing that, he believes that the Board can capture all of the things that everyone wants to. It may be helpful for the outsiders. He believes that, at every meeting that the Board comes together, we should remind ourselves that because of that diversity that is brought to the table, that we are here as Board members to support the Mission Statement, and say what it is. He believes it gives the Board a great start with the public attending some of our meetings, with the staff, and Board members all to start the meetings that way.

Chairman Cordasco also suggested that rather than using the word “creed” we call this a “Board Statement”.

Mr. Porter made a motion to adjourn this meeting. Mr. Scalzo seconded the motion. The motion carried unanimously and Chairman Cordasco adjourned the meeting at 9:59 a.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the ADA Coordinator, Karen Farias, (602) 364-0632; or TTY(602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

William C. Cordasco, Chairman

Kenneth E. Travous, Executive Director